





The major structural, mechanical, and plate components for this rotary lime burning plant were fabricated and installed by the Hamilton Bridge Division. The rotary kiln is 12 feet in diameter and 150 feet long.



DIRECTORS

W. A. Andres, *Toronto*
M. A. Cooper, *Toronto*
J. S. Gairdner, *Toronto*
V. G. Lamont, *Hamilton*
H. B. Martin, *Toronto*
Harold Tanenbaum, *Toronto*
Howard Tanenbaum, *Toronto*
Joseph M. Tanenbaum, *Toronto*
Max Tanenbaum, *Toronto*

OFFICERS

Harold Tanenbaum — *Chairman of the Board*
V. G. Lamont — *President*
G. H. Tidswell — *Vice-President*
J. Bracewell — *Secretary and Treasurer*



One of the largest mobile cranes which can travel the highways, this 140 ton crane is the largest of Foran's fleet of crawler, mobile, and hydraulic cranes of 5 ton to 140 ton capacity.

OPERATING UNITS

HAMILTON BRIDGE DIVISION
HAMILTON

BRIDGE & TANK WESTERN LTD.
WINNIPEG
A. Fraser MacDonald *General Manager*

FORD-SMITH MACHINE COMPANY LIMITED
HAMILTON
D. Giglia *General Manager*

FORD-SMITH COMPAGNIE LIMITEE
MONTREAL

D. Giglia *General Manager*
B. A. Dawson *Branch Manager*

FORAN'S CRANE & EQUIPMENT
SERVICE LIMITED
HAMILTON
James Foran *General Manager*

TRANSFER AGENTS
ROYAL TRUST COMPANY

TO THE SHAREHOLDERS OF BRIDGE & TANK COMPANY OF CANADA LIMITED

On behalf of the Board of Directors, I submit herewith the consolidated financial statements of the company for the fiscal year ended December 31, 1971.

Consolidated sales increased in 1971 to \$19,907,401. from \$16,312,170. in 1970, but earnings before extraordinary items decreased from \$184,864. in 1970 to \$24,832. in 1971.

A consulting engineering company to which the company some years ago advanced substantial credit (and was later classified in the financial statements as an investment) continued to experience substantial losses and ceased operations during the year, with the result that we will likely recover none of these funds. This extraordinary loss, the effect of which is outlined in Note 1 to the financial statements, together with the profit from the company's steel fabricating and other divisions, resulted in an overall loss for the year of \$245,168.

Foran's Crane & Equipment Service Ltd. has completed the year with a substantial profit and the profitability of Ford-Smith Machine Co. Ltd. has also improved considerably.

A strike by the Ironworker's Union (steel erectors) that commenced July 15th, 1971 and was not settled until September 3, 1971 adversely affected operations. Profits during the year were also adversely affected by the depressed market

conditions and extremely low levels of competitive pricing in the steel fabricating industry. This was primarily due to low volume of business because of the Federal Government's tight fiscal policies, the revised tax reform legislation and the impending revisions to the Competition & Labour Acts, which all helped to create an uncertainty and pessimism in the business community. However, with the removal of the U.S. surcharge, with certain clarifications in the tax legislation and hopefully revisions to the Labour & Competition Acts, which will not be detrimental to the business community, there should be a distinct upturn in 1972 for capital expenditures resulting in an increased market for the steel fabricating industry.

Every effort is being expended to improve the profit potential of your company. In spite of a temporarily depressed construction market in the provinces of Manitoba and Saskatchewan, our Winnipeg plant of Bridge & Tank Western Ltd. is being upgraded to increase productivity and reduce costs. Also, a most modern and efficient reinforcing bar fabrication line has been added to the Winnipeg plant to provide us with a broader base of products for that operation.

In the Hamilton plant we are reducing costs and improving productivity by adding new equipment such as hi-speed cut-off saws, heavy plate shears, new conveyor lines and an improved safety pro-



gram starting with the installation of a new high intensity lighting system, which all are part of our program to upgrade efficiency and provide better working conditions for our employees.

The combined sales backlog as of December 31, 1971 amounted to \$13,865,000.

On October 1, 1971 the controlling interest in the company was purchased by York Steel Construction Limited, a fully owned Canadian company, which is controlled by Max Tanenbaum and his family. York Steel, among other things, has for over 20 years very successfully operated steel fabricating plants in Toronto and London, Ontario. The affiliation with York Steel and the Tanenbaum family brings to the company many years of experience in the steel fabricating industry, which will be used fully to assist the company in its efforts to increase productivity and profits.

During the year the company declared and paid all of the regular dividends on the \$2.90 Sinking Fund Preference shares. This leaves, however, dividend arrears of \$8.70 per share or \$278,548. We expect to be able to continue these regular dividends and will make every effort to reduce the arrears when the company's earnings and working capital justify such action.

After the change in control Harold Tanenbaum was elected Chairman of the Board and V. G. Lamont was appointed President.

Mr. Lamont formerly the Vice-President of Sales of Bridge & Tank has been with the company eight years and has had over 30 years experience in the steel fabrication and mechanical manufacturing industries.

I wish to thank the Board of Directors for their sincere efforts on behalf of the company and I also wish to thank the employees for their efforts during the past year and to assure the shareholders, on behalf of both the employees and the Board, of our continuing efforts to make this company a most vibrant, efficient and profitable organization.

Submitted by

H. Tanenbaum,
Chairman of the Board.

March 20, 1972

Bridge & Tank Company of Canada Limited and Subsidiary Companies

ASSETS	<u>1971</u>	<u>1970</u>
CURRENT ASSETS:		
Cash	\$ 49,559	\$ 21,311
Accounts and notes receivable	4,255,422	3,339,666
Inventories, valued at the lower of cost or net realizable value	6,786,765	6,705,797
Marketable securities at cost, available for contract and other deposits (1971 market value \$365,555)	423,693	423,693
Prepaid expenses	<u>34,700</u>	<u>40,868</u>
TOTAL CURRENT ASSETS	11,550,139	10,531,335
Mortage receivable	51,071	56,639
Funds provided for the purchase of preference shares (note 5)	100,000	100,000
Investments, at cost (note 1):		
Preference shares	—	250,000
Notes receivable	<u>—</u>	<u>125,000</u>
	<u>—</u>	<u>375,000</u>
Fixed assets, less accumulated depreciation (note 2):		
Buildings, machinery and equipment	10,151,873	9,585,742
Less accumulated depreciation	<u>6,403,907</u>	<u>6,132,079</u>
Land	<u>3,747,966</u>	<u>3,453,663</u>
	<u>252,961</u>	<u>252,961</u>
	<u>4,000,927</u>	<u>3,706,624</u>
Deferred income taxes	48,490	100,000
Excess of cost of investment in a wholly-owned subsidiary over underlying net book value at date of acquisition	216,845	216,845
Financing and organization expenses, less amounts written off	<u>18,071</u>	<u>23,518</u>
	<u>\$15,985,543</u>	<u>\$15,109,961</u>

(See accompanying notes to consolidated financial statements)

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Bridge & Tank Company of Canada Limited and subsidiary companies as of December 31, 1971 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination of the financial statements of Bridge & Tank Company of Canada Limited and those subsidiaries of which we are the auditors included a

Consolidated Balance Sheet, December 31, 1971 with comparative figures for 1970

LIABILITIES AND SHAREHOLDERS' EQUITY	<u>1971</u>	<u>1970</u>
CURRENT LIABILITIES:		
Bank indebtedness, secured (note 3)	\$ 2,560,244	\$ 1,596,446
Accounts payable and accrued charges	2,883,894	1,691,450
Due to parent company	143,662	—
Advance billings on uncompleted contracts	3,080,975	4,249,060
Income taxes payable	42,347	6,850
Other taxes payable	280,737	233,529
Long term debt due within one year	<u>102,787</u>	<u>—</u>
TOTAL CURRENT LIABILITIES	9,094,646	7,777,335
Long term debt (note 4)	431,788	535,500
Shareholders' equity:		
Capital stock (note 5):		
32,017, \$2.90 Sinking Fund Preference shares, par value \$50 each	1,600,850	1,600,850
1,043,694 Common shares of no par value	<u>1,815,166</u>	<u>1,815,166</u>
Amount arising from appraisals of fixed assets (note 6)	3,416,016	3,416,016
Retained earnings (note 7)	746,669	762,212
	<u>2,296,424</u>	<u>2,618,898</u>
Contingent liabilities and commitments (note 8)	6,459,109	6,797,126

On behalf of the Board:
 Harold Tanenbaum *Director*
 V. G. Lamont *Director*

\$15,985,543 \$15,109,961

general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the report of the auditors who have examined the financial statements of the other subsidiary.

In our opinion, these consolidated financial statements present fairly the financial position of the company and subsidiary

companies at December 31, 1971 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.
 Chartered Accountants
 Hamilton, Ontario February 8, 1972

**CONSOLIDATED STATEMENT OF EARNINGS
YEAR ENDED DECEMBER 31, 1971 WITH COMPARATIVE FIGURES FOR 1970**

	<u>1971</u>	<u>1970</u>
Sales.....	\$19,907,401	\$16,312,170
Costs, including selling and administrative expenses.....	18,811,687	15,289,271
Depreciation.....	395,874	348,332
Direct remuneration of directors and senior officers.....	225,491	155,863
	<u>19,433,052</u>	<u>15,793,466</u>
Operating profit.....	474,349	518,704
Other income:		
Income from sundry investments.....	23,469	29,007
Profit on disposal of fixed assets.....	712	8,099
Discount on redemption of first mortgage bonds.....	890	10,960
	<u>25,071</u>	<u>48,066</u>
	<u>499,420</u>	<u>566,770</u>
Other expenses:		
Interest on long term debt and financing expenses.....	32,311	39,327
Other interest.....	134,778	134,279
Bad debt (note 1).....	205,000	—
	<u>372,089</u>	<u>173,606</u>
	<u>127,331</u>	<u>393,164</u>
Earnings before taxes on income and extraordinary items.....		
Taxes on income (note 9):		
Current.....	50,989	286,000
Deferred.....	51,510	(77,700)
	<u>102,499</u>	<u>208,300</u>
	<u>24,832</u>	<u>184,864</u>
Earnings before extraordinary items.....		
Extraordinary items:		
Loss on investment (note 1).....	(270,000)	—
Reduction of taxes on income through the application of prior years' losses.....	—	277,000
	<u>(270,000)</u>	<u>277,000</u>
Net earnings (loss) for the year.....	<u>\$ (245,168)</u>	<u>\$ 461,864</u>
Earnings per common share:		
Before extraordinary items.....	\$ —	.09
Net earnings for the year.....	\$ —	.35

(See accompanying notes to consolidated financial statements)

**CONSOLIDATED STATEMENT OF RETAINED EARNINGS
YEAR ENDED DECEMBER 31, 1971 WITH COMPARATIVE FIGURES FOR 1970**

	<u>1971</u>	<u>1970</u>
Amount at beginning of year:		
As previously reported.....	\$ 2,618,898	\$ 2,042,946
Add:		
Deferred tax charges not previously provided for in the accounts.....	—	137,300
As restated.....	2,618,898	2,180,246
Net earnings (loss) for the year.....	<u>(245,168)</u>	<u>461,864</u>
Transfer from amount arising from appraisals of fixed assets (note 6).....	15,543	—
	<u>2,389,273</u>	<u>2,642,110</u>
Dividends on preference shares.....	92,849	23,212
Amount at end of year.....	<u>\$ 2,296,424</u>	<u>\$ 2,618,898</u>

(See accompanying notes to consolidated financial statements)

**CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
YEAR ENDED DECEMBER 31, 1971 WITH COMPARATIVE FIGURES FOR 1970**

	<u>1971</u>	<u>1970</u>
Funds provided:		
From operations:		
Net earnings (loss) for the year	\$(245,168)	\$461,864
Add (deduct) non-cash items:		
Depreciation	395,874	348,332
Reduction of investments and advances.....	375,000	—
Deferred taxes on income.....	51,510	(77,700)
Profit on sale of fixed assets	(712)	(8,099)
Amortization of financing and organization expenses.....	<u>5,448</u>	<u>5,448</u>
Funds provided from operations	581,952	729,845
Proceeds from sale of fixed assets	21,404	20,122
Reduction in mortgage receivable	<u>5,568</u>	<u>7,581</u>
Total funds provided	<u>608,924</u>	<u>757,548</u>
Funds applied:		
Purchase of fixed assets	710,870	248,520
Increase in investments and advances	—	125,000
Reduction of long term debt	103,712	229,000
Dividends on preference shares	<u>92,849</u>	<u>23,212</u>
Total funds applied	<u>907,431</u>	<u>625,732</u>
Increase (decrease) in working capital	<u>\$(298,507)</u>	<u>\$131,816</u>

(See accompanying notes to consolidated financial statements)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1971

(1) During 1971 the companies whose preference shares and notes, totalling \$375,000 were held at December 31, 1970 ceased operations and it is expected that nothing will be realized from these assets. In addition, bank loans to one of the companies had to be assumed to the extent of \$100,000 as a result of a previous guarantee.

The resulting loss of \$475,000 is dealt with in the consolidated statement of earnings as follows:

Bad debt in respect of trade accounts of prior years charged to other expenses	\$ 205,000
Advances by way of investment and bank guarantee charged to extraordinary items	<u>270,000</u>
	<u><u>\$ 475,000</u></u>

(2) Fixed assets are stated as follows:

Building, machinery and equipment:

On the basis of an appraisal report by Stone & Webster Engineering Corporation, dated January 29, 1954, with subsequent additions at cost, less accumulated depreciation \$3,153,388	\$ 2,548,689
At cost, less accumulated depreciation \$3,158,385	1,167,814
At values determined by the Board of Directors of a subsidiary company, as of August 31, 1955, with subsequent additions at cost, less accumulated depreciation \$92,134	<u>31,463</u>
	<u><u>\$3,747,966</u></u>

Land:

On the basis of an appraisal report by Lounsbury & Lounsbury Ltd., dated January 18, 1954	\$ 117,600
At cost	<u>135,361</u>
	<u><u>\$ 252,961</u></u>

(3) The bank indebtedness is secured by a general assignment of book debts, inventories under Section 88 of the Bank Act, marketable securities and other investments, and a floating charge on other assets.

(4) The long term debt is made up as follows:

Bridge & Tank Company of Canada Limited:	
5-1/4% First Mortgage Sinking Fund Bonds Series A due March 1, 1974	\$ 2,500,000
Less redeemed and cancelled	<u>2,042,500</u>

9% Chattel mortgage, payable at the rate of \$2,506, including interest, per month and finally maturing on November 1, 1974	\$ 79,000
Principal repaid to December 31, 1971	<u>1,925</u>
	<u><u>77,075</u></u>
Deduct principal due within one year, included in current liabilities:	
First Mortgage Sinking Fund Bonds	<u>78,558</u>

Chattel mortgage	<u>24,229</u>
	<u><u>\$ 431,788</u></u>

The trust deed securing the bonds requires payments in cash or in Sinking Bonds to the Trustee of not less than:

By March 1, 1972	\$ 175,796
Less excess requirements met at December 31, 1971	<u>97,238</u>
	<u><u>78,558</u></u>
By March 1, 1973	<u>185,036</u>
By March 1, 1974	<u>193,906</u>
	<u><u>\$ 457,500</u></u>

(5) Capital Stock:

	Shares	Amount
(a) Authorized:		
Preference shares, par value \$50 each	192,467	\$ 9,623,350
Less redeemed to date	450	22,500
Authorized for issuance	<u>192,017</u>	<u><u>\$ 9,600,850</u></u>
Common shares of no par value	<u>3,000,000</u>	<u><u>\$ —</u></u>

Issued:		
\$2.90 Sinking Fund Preference shares	32,467	\$ 1,623,350
Less redeemed to date	450	22,500
Issued and outstanding	<u>32,017</u>	<u><u>\$ 1,600,850</u></u>
Common shares issued and outstanding	<u>1,043,694</u>	<u><u>\$ 1,815,166</u></u>

(b) The issued preference shares are non-participating and carry a fixed cumulative dividend of \$2.90 per share per annum. The shares are redeemable at \$51 per share.

(c) Under the terms of the sinking fund provisions in respect of the issued preference shares, the company has set aside \$100,000 in cash to be used for the purchase of preference shares for cancellation.

(6) Amount arising from appraisals of fixed assets:

Balance at December 31, 1970	\$ 762,212
Deduct amount realized on disposal of fixed assets during 1971 transferred to retained earnings	<u>15,543</u>
Balance at December 31, 1971	<u><u>\$ 746,669</u></u>

(7) Dividend arrears on the \$2.90 Sinking Fund Preference shares are \$8.70 per share or \$278,548. In addition, under the provisions of the Deed of Trust and Mortgage securing the First Mortgage Bonds, restrictions are placed on the payment of dividends on common shares unless certain conditions are met. Because of these restrictions, \$176,547 of retained earnings at December 31, 1971 is not available for the payment of dividends on common shares.

(8) Contingent liabilities and commitments:

(a) Capital commitments at December 31, 1971 amount to approximately \$336,000, of which \$67,200 is covered by letters of credit.	
(b) The liability for past service costs under the companies' pension plans remaining to be accrued is approximately \$616,200 at December 31, 1971 based on actuarial studies made as at December 31, 1969. This amount is being amortized in the amount of \$58,200, including interest, annually to December 31, 1974 and thereafter in the amount of \$55,900, including interest, to December 31, 1989.	

(9) Taxes on income are determined on an amount which includes certain expenses added back in arriving at taxable income.



HAMILTON BRIDGE DIVISION

OFFICES AND PLANT:
390 Gage Avenue North,
Hamilton, Ontario.

PARTIAL LIST OF PRODUCTS:
Bridges, Tank and Plate Work, Structural Steel,
Long Span Joists, Bins, Storage Tanks, Alliance Cranes,
Custom Machine Shop Services.

WAREHOUSE STEEL DIVISION:
Beams, Channels, Angles, Plates, Floor Plates,
Round and Flat Bars.

BRECO AERIAL TRAMWAY DIVISION

Aerial Tramways, Chair Lifts, Aerial Cableways.

BRIDGE & TANK WESTERN LTD.

OFFICE:
Sutherland and Maple Street,
Winnipeg, Manitoba

PLANT:
Gateway Rd. and Vulcan Ave.,
North Kildonan, Manitoba.

PARTIAL LIST OF PRODUCTS:
Structural Steel and Bridge Fabrication, General Plate
Fabrication, Conveying and Material Handling Equipment,
Miscellaneous Iron, Grain Handling Equipment
and Custom Machine Work.

FORD-SMITH MACHINE COMPANY LIMITED

OFFICE AND PLANT:
390 Gage Avenue North, Hamilton, Ontario.

PARTIAL LIST OF PRODUCTS:
Grinding and Polishing Machines, "Universal" Automotive
and Industrial Lifting Equipment, Fontaine Fifth Wheels,
Dump Truck Vibrators.

FORD-SMITH COMPAGNIE LIMITEE

9340 Charles de Latour St.,
Montreal 11, P.Q.

FORAN'S CRANE & EQUIPMENT SERVICE LIMITED

449 Woodward Ave., Hamilton, Ontario.

Provides a complete crane rental service.
Equipment ranges from 5 ton to 140 ton capacity,
on wheeled and crawler machines.
Services include steel and cement hoisting,
machinery moving.



An artist's impression of the new Theatre Auditorium now under construction in Hamilton, scheduled for completion in early 1973. 1200 tons of structural steel supplied and erected by the Hamilton Bridge Division in 1971. Architect, Trevor P. Garwood-Jones.

